

House Study Bill 595 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON LUNDGREN)

A BILL FOR

1 An Act providing for the repeal of the beverage containers
2 control program, and including effective date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

BEVERAGE CONTAINER DEPOSIT REPEAL

1
2
3 Section 1. Section 123.26, Code 2022, is amended to read as
4 follows:

5 **123.26 Restrictions on sales — seals — labeling.**

6 Alcoholic liquor shall not be sold by a class "E" liquor
7 control licensee except in a sealed container with identifying
8 markers as prescribed by the administrator and affixed in the
9 manner prescribed by the administrator, and no such container
10 shall be opened upon the premises of a state warehouse. ~~The~~
11 ~~division shall cooperate with the department of natural~~
12 ~~resources so that only one identifying marker or mark is needed~~
13 ~~to satisfy the requirements of this section and section 455C.5,~~
14 ~~subsection 1.~~ Possession of alcoholic liquors which that do
15 not carry the prescribed identifying markers is a violation of
16 this chapter except as provided in section 123.22.

17 Sec. 2. Section 123.187, subsection 3, paragraph e, Code
18 2022, is amended by striking the paragraph.

19 Sec. 3. Section 455C.1, subsection 1, Code 2022, is amended
20 to read as follows:

21 1. "*Beverage*" means wine as defined in section 123.3,
22 subsection 54, alcoholic liquor as defined in section 123.3,
23 subsection 5, beer as defined in section 123.3, subsection
24 7, high alcoholic content beer as defined in section 123.3,
25 subsection 22, canned cocktail as defined in section 123.3,
26 subsection 11, mineral water, soda water, and similar
27 carbonated soft drinks in liquid form and intended for human
28 consumption.

29 Sec. 4. Section 455C.2, subsection 1, Code 2022, is amended
30 to read as follows:

31 1. ~~A refund value of not less than five cents shall be paid~~
32 ~~by the consumer on each beverage container sold in this state~~
33 ~~by a dealer for consumption off the premises.~~ Upon return
34 of ~~the~~ an empty beverage container upon which a refund value
35 has been paid to ~~the~~ a dealer or person operating a redemption

1 center and acceptance of the empty beverage container by the
2 dealer or person operating a redemption center, the dealer or
3 person operating a redemption center shall return the amount of
4 the refund value to the consumer.

5 Sec. 5. Section 455C.4, subsection 1, Code 2022, is amended
6 to read as follows:

7 1. ~~Except as provided in section 455C.5, subsection 3, a~~ A
8 dealer, a person operating a redemption center, a distributor,
9 or a manufacturer may refuse to accept any empty beverage
10 container ~~which~~ that does not have stated on it a refund value
11 as provided under section 455C.2.

12 Sec. 6. Section 455C.4, subsections 2 and 3, Code 2022, are
13 amended by striking the subsections.

14 Sec. 7. Section 455C.12, subsection 1, Code 2022, is amended
15 to read as follows:

16 1. Any person violating the provisions of section 455C.2, or
17 455C.3, ~~or 455C.5~~, or a rule adopted under this chapter, shall
18 be guilty of a simple misdemeanor.

19 Sec. 8. Section 455C.14, subsection 1, Code 2022, is amended
20 to read as follows:

21 1. If ~~the~~ a refund value indication ~~required under section~~
22 ~~455C.5~~ on an empty nonrefillable metal beverage container
23 is readable but the redemption of the container is lawfully
24 refused by a dealer or person operating a redemption center
25 under other sections of this chapter or rules adopted pursuant
26 to these sections, the container shall be accepted and the
27 refund value paid to a consumer as provided in this section.
28 Each beer distributor selling nonrefillable metal beverage
29 containers in this state shall provide individually or
30 collectively by contract or agreement with a dealer, person
31 operating a redemption center, or another person, at least
32 one facility in the county seat of each county where refused
33 empty nonrefillable metal beverage containers having a
34 readable refund value indication ~~as required by this chapter~~
35 are accepted and redeemed. In cities having a population of

1 twenty-five thousand or more, the number of the facilities
2 provided shall be one for each twenty-five thousand population
3 or a fractional part of that population.

4 Sec. 9. REPEAL. Sections 455C.5, 455C.6, 455C.7, and
5 455C.10, Code 2022, are repealed.

6 Sec. 10. EFFECTIVE DATE. This division of this Act, being
7 deemed of immediate importance, takes effect upon enactment.

8 DIVISION II

9 BEVERAGE CONTAINER REDEMPTION REPEAL

10 Sec. 11. Section 123.24, subsection 2, paragraph d, Code
11 2022, is amended to read as follows:

12 *d.* A bottle surcharge in an amount sufficient, ~~when~~
13 ~~added to the amount not refunded to class "E" liquor control~~
14 ~~licensees pursuant to [section 455C.2](#), to pay the costs incurred~~
15 by the division for collecting and properly disposing of the
16 liquor containers. The amount collected pursuant to this
17 paragraph, ~~in addition to any amounts not refunded to class "E"~~
18 ~~liquor control licensees pursuant to [section 455C.2](#), shall be~~
19 deposited in the beer and liquor control fund established under
20 section 123.17.

21 Sec. 12. Section 423.6, subsection 3, paragraph a, Code
22 2022, is amended to read as follows:

23 *a.* Any tangible personal property including containers
24 for which it is intended shall, by means of fabrication,
25 compounding, manufacturing, or germination, become an integral
26 part of other tangible personal property intended to be sold
27 ultimately at retail, ~~and containers used in the collection,~~
28 ~~recovery, or return of empty beverage containers subject to~~
29 [chapter 455C](#).

30 Sec. 13. Section 455A.6, subsection 6, paragraph d, Code
31 2022, is amended to read as follows:

32 *d.* Approve the budget request prepared by the director
33 for the programs authorized by [chapters 455B, 455C, 455E,](#)
34 [455F, 455H, and 459, subchapters II and III.](#) The commission
35 shall approve the budget request prepared by the director for

1 programs subject to the rulemaking authority of the commission.
2 The commission may increase, decrease, or strike any item
3 within the department budget request for the specified programs
4 before granting approval.

5 Sec. 14. Section 455C.1, subsection 13, Code 2022, is
6 amended to read as follows:

7 13. "*Redemption center*" means a facility at which consumers
8 may return empty beverage containers ~~and receive payment for~~
9 ~~the refund value of the empty beverage containers.~~

10 Sec. 15. Section 455C.1, subsections 3, 6, 7, 8, 10, and 12,
11 Code 2022, are amended by striking the subsections.

12 Sec. 16. REPEAL. Sections 455C.2, 455C.3, 455C.4, 455C.9,
13 455C.12, 455C.13, and 455C.14, Code 2022, are repealed.

14 Sec. 17. EFFECTIVE DATE. This division of this Act takes
15 effect six months after enactment.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with
18 the explanation's substance by the members of the general assembly.

19 This bill provides for the repeal of the beverage containers
20 control program, commonly referred to as the "bottle bill".

21 Under current law, when a distributor sells beverages
22 in eligible containers to a dealer, the distributor adds
23 5 cents per eligible container to the sale price. When a
24 dealer sells beverages in eligible containers to a consumer,
25 the dealer adds the 5-cent deposit to the sale price of each
26 beverage container. A consumer can take eligible beverage
27 containers to a dealer, dealer agent, or redemption center and
28 receive a 5-cent refund for every eligible beverage container
29 that the consumer returns. A distributor collects eligible
30 containers from a dealer, dealer agent, or redemption center,
31 at which time the distributor pays the dealer, dealer agent,
32 or redemption center 5 cents per eligible container plus a
33 handling fee of an additional 1 cent per eligible container.

34 Upon enactment, the bill strikes the provision of the
35 beverage containers control program that requires a dealer

1 to charge a consumer the refund value for each beverage
2 container, repeals the requirement that the refund value be
3 stated on containers, and repeals provisions relating to
4 redemption center approval. Six months thereafter, the bill
5 repeals the remaining provisions of the program, including
6 provisions allowing a consumer to return beverage containers in
7 exchange for the refund value, allowing a dealer or a person
8 operating a redemption center to return beverage containers to
9 a distributor in exchange for the refund value and handling
10 fee, allowing refusal of beverage containers, and providing
11 for associated penalties. However, the bill does not repeal
12 Code section 455C.16, which prohibits disposal of beverage
13 containers in a sanitary landfill by a dealer, distributor,
14 manufacturer, or person operating a redemption center, or
15 strike the associated definitions in Code section 455C.1.

16 The bill amends various Code provisions to conform with
17 changes to the beverage containers control program as changes
18 to the program become effective.